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NEWS RELEASE
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WELLS FARGO BANK, N.A. SETTLES \$8.5 MILLION PRIVACY LAWSUIT

RIVERSIDE – Today, March 29, 2016, Riverside County District Attorney Mike Hestrin announced the settlement of an \$8.5 million privacy lawsuit against Wells Fargo Bank, N.A. also involving the Los Angeles, San Diego, Ventura, and Alameda district attorney's offices and the California Attorney General's Office.

The civil complaint, filed in Los Angeles County Superior Court, alleges that Wells Fargo violated sections 632 and 632.7 of the California Penal Code by failing to timely and adequately disclose its automatic recording of phone calls with members of the public. Laws in California regarding the recording of phone calls are stricter than in many other states. In California, each party to a confidential conversation must be advised at the outset if a call is being recorded so that he or she can object or terminate the call if he or she does not wish to be recorded.

Once notified by the prosecutors' offices of the alleged deficiencies in their recording disclosures, Wells Fargo and its counsel worked cooperatively to implement changes in the bank's policies nationwide, without admitting liability. As part of the settlement agreement with the four district attorney's offices and the state Attorney General's Office, Wells Fargo must comply with California's standards for recording confidential communications between the bank and its customers by making a clear, conspicuous, and accurate disclosure to any consumer of the fact of the recording at the beginning of any such communication. Wells Fargo has also agreed to implement an internal compliance program to ensure that the policy changes are made.

Under the terms of the court approved judgment, Wells Fargo will pay civil penalties totaling \$7,616,000 and will reimburse the prosecutors' offices investigative costs of \$384,000. The Riverside County District Attorney's Office will receive one-sixth, or \$1,269,333.33, of those civil penalties and \$64,000 of the costs. All of the penalties must, by law, be used for future consumer protection work.

In addition to the above penalties and investigative costs, Wells Fargo will contribute \$500,000 to two statewide organizations dedicated to advancing consumer protection and privacy rights.

In Riverside County, the case was handled by Deputy District Attorney Elise Farrell of the DA's Consumer Protection Team

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